

**Age, Young Adults, and the Uninsured**  
**Let's Get Washington Covered Task Force**  
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**Percentage of Young Uninsured Adults**

By reviewing the percentage and distribution of uninsured individuals, we can observe that young adults in Washington State and the nation are more likely to be uninsured. It is the difference between the percentages of young adults and other adults and the reasons behind those differences that are explored below.

The percentage of uninsured young adults rose from 22% in 1987 to 28% in 2001, representing 12 million of the 41 million uninsured individuals nationwide in 2001. This increase to 28% is nearly twice the percentage for adults ages 30-64. The uninsured percentage of 28% is also more than twice the 12% of uninsured children nationwide in 2001.

The percentage of uninsured young adults (measured by the wider age band of 19-34) was 16% in Washington State. That figure is by far the largest percent among the age bands represented in the Washington State data. (See Tables 1 & 2.)

This concern becomes greater when we consider that the percentage of young adults in the United States who were uninsured for the entire year of 2000 was 22%, and 44% of young adults nationwide were uninsured for part of 2000.

Thirty percent of high school graduates had some period without health insurance in the year following graduation. Although this percentage is similar to the percentage for all young adults (19-29) nationwide, it is considerably higher (51%) for those graduates who do not attend college. Twenty-three percent of high school graduates who immediately attended college, experience some time without health insurance during their first year out of high school. Finally, about 40% of *college* graduates spent time uninsured in the year following graduation.

**Table 1: Percent of Uninsured Young Adults**

<b>Washington State (2000)</b>		<b>United States (2001)</b>	
<b>Uninsured at a Point in Time</b>		<b>Uninsured at a Point in Time</b>	
<b>Age</b>	<b>Percent</b>	<b>Age</b>	<b>Percent</b>
<b>19 – 34</b>	<b>16%</b>	<b>19 – 29</b>	<b>28%</b>

**Table 2: Percent of Uninsured by Age Groups in Washington State**

<b>Washington State (2000)</b> <b>Uninsured at a Point in Time</b>	
<b>Age</b>	<b>Percent</b>
Under 19	7%
<b>19 – 34</b>	<b>16%</b>
35 – 54	7%
55 – 64	6%

### **Distribution of the Uninsured by Age**

Young uninsured adults comprise 43% of the uninsured in Washington State (Table 3). That percentage is greater than the 29% figure for the nation, in part due to the wider age band used to measure young adults in the Washington State data. Both percentages are quite high when we consider that the 19-29 year old age group makes up only 15% of our nationwide population.

**Table 3: Distribution of the Uninsured by Age for Washington State and the United States**

<b>Washington State (2000)</b>		<b>United States (2001)</b>	
<b>Age</b>	<b>Percent</b>	<b>Age</b>	<b>Percent</b>
Under 19	24%	Under 19	22%
<b>19 – 34</b>	<b>43%</b>	<b>19 – 29</b>	<b>29%</b>
35 – 54	26%	30 – 64	49%
55 – 64	7%		

### **Young Adults and Income**

Are young adults uninsured because they have lower incomes? We compared two different data sets and observed that young uninsured adults nationally do not cluster below 200% FPL much more than all uninsured individuals below 65 in Washington State (Table 4).

**Table 4:**  
**Distribution of All Washington State Uninsured by Federal Poverty Level (FPL)**  
**versus**  
**Distribution of Uninsured Young Adults (19-29) by FPL (United States)**

<b>Washington State (2000)</b> <b>All Uninsured Under 65</b>		<b>United States (2001)</b> <b>Uninsured Young Adults (19-29)</b>	
<b>Income</b>	<b>Percent</b>	<b>Income</b>	<b>Percent</b>
0 – 100% FPL	34%	0 – 99% FPL	39%
101% – 200% FPL	30%	100% – 199% FPL	31%
Above 200% FPL	36%	Above 199% FPL	30%

### **Childless Adults**

We also questioned whether young adults were uninsured because they are more likely to be without children. We could not make a conclusive correlation between uninsured childless adults and uninsured young adults. We lacked an age distribution of childless adults, who are uninsured 53% of the time (Table 5). We could not, consequently, determine how many childless adults were in the 19-34 year-old age group.

**Table 5: Percent of Uninsured by Age or Parental Status, 2000, Washington State**

<b>Age</b>	<b>Percent</b>
Child, under 19	24%
Adult with children	23%
<b>Childless Adult</b>	<b>53%</b>

### **Reasons For Concern**

The Task Force's concern over a high percentage of uninsured young adults in Washington State is mirrored by national data. A review of the data provides some specific reasons to be concerned.

### **Source of insurance for the youngest adults 19-23**

Young Adults do not have a reliable source of insurance. As noted in our previous documents on the uninsured, employer-based insurance is the primary source of health insurance in the United States. It is the source of 70% of the health insurance for individuals under 65 in Washington State and the United States. As shown below (Table 6), employer-based insurance is not available roughly 50% of the time for part-time or full-time students, ages 19-23.

**Table 6: Distribution of Insurance Sources for College-Age Adults 19-23  
United States, 2002**

Source of Insurance	Not full-time student 12.5 million	Full-time Student 7.1 million
Own-employer coverage	28%	7%
Employer-dependent coverage	17%	48%
<b><i>Subtotal of employer coverage</i></b>	<b>45%</b>	<b>55%</b>
Other coverage	19%	27%
Uninsured	36%	18%

**Availability and eligibility of employer-based insurance for young adults**

There has been a perception voiced for many years that young adults believe they are invincible and do not need health insurance. A simple analysis of data on low-wage employment and take-up rates for young adults suggest that we should at least question that perception. We'll start by reviewing data on low-wage young workers.

An Issue Brief by the Commonwealth Fund (On The Edge: Low-wage Workers and Their Health Insurance Coverage, April 2003) found that a quarter of the workers, ages 19-64, earn less than \$10 per hour. Almost half of the workers, ages 19-29, have jobs that earn less than \$10 per hour.

The businesses that tend to employ young workers in Washington State also tend to be low-wage businesses (see Table 7). The difference in the percentage of younger workers in small and large businesses is not great. This tends to demonstrate that clusters of low-wage younger workers can be found in small and large businesses in Washington State.

**Table 7: Distribution of young workers by wages and size of business  
Washington State, 2000**

Type of Workers	All Businesses	Low-wage Business	Other than Low- wage Business	Small Business	Large Business
Employs predominantly young workers	22.3%	41.5%	17.5%	27.4%	18.5%
Other business	77.7%	58.5%	82.5%	72.6%	81.5%

*Definitions:*

*Business with predominantly young workers:* employs 30 percent of workers are less than 30; no workers older than 50

*Low-wage business:* fewer than two-thirds of workers earn less than \$10 dollars per hour.

*Small business:* 50 or fewer workers.

The high percent of uninsured young adults may not be due to a lower take-up rate, i.e., a belief by young adults that they do not need insurance. Low-wage businesses in Washington State offered health insurance 60% of the time in 2000, and as we saw in Table 7, young adults tend to work in low-wage businesses.

Obtaining eligibility may also be challenging for younger workers. The drop-off in employer-based health insurance for younger adults nationwide is traced primarily to a lack of eligibility and not whether young adults pay for insurance (see Table 8). The Institute of Medicine also found that a small percentage of younger workers are uninsured because they decline health insurance: only 4% of workers nationwide, ages 18-44, are uninsured because they decline employer-based coverage.

The lack of health insurance for younger workers may be less associated with their willingness to pay and more associated with their employer's ability to offer health insurance. Cost of premiums is one reason employers do not offer health insurance. Also, the inability of low-wage employees to contribute to the premium has been cited as another reason.

**Table 8: Percentage of availability and eligibility of employer-based insurance  
United States, 2001**

<b>Workers</b>	<b>All ages</b>	<b>Ages 19-29</b>	<b>Ages 30-64</b>
Employer offers a plan	80%	77%	80%
<b>Eligible for employer plan</b>	<b>74%</b>	<b>65%</b>	<b>77%</b>
Covered through own employer	58%	48%	61%
Covered through someone else's employer	17%	13%	18%
<i>Subtotal of employer-based coverage</i>	<i>75%</i>	<i>61%</i>	<i>79%</i>
<i>Take-up rate for own-employer insurance</i>	<i>78%</i>	<i>74%</i>	<i>79%</i>

## **Results to Keep in Mind**

1. Young adults in Washington State make up a large percentage of the uninsured.
2. As with other demographic groups in Washington State, young adults tend to purchase employer-based health insurance when it is offered.
3. Young adults do tend to work in lower-wage firms, which do not to offer health insurance as often.
4. Nationally, only about 50% of college students are covered by employer-based health insurance.

## **Sources**

Unless otherwise noted, the information in this document on Washington State was provided by the State Planning Grant, Deliverable 3.1, Targeting the Uninsured in Washington State, April 2002.

The national information is from “Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help,” Sara Collins et. al., The Commonwealth Fund.